

# MANUFACTURING EXTENSION PARTNERSHIP

## Success Stories from the Field

### ESCO (ENG'D ARREST'G SYS CORP)

Delaware Valley Industrial Resource Center

#### ESCO's Strategic Planning Facilitates Growth

##### Client Profile:

Engineered Arresting Systems Corp (ESCO) Company was established in 1953. The Company is a subsidiary of the Zodiac Groupe based in Paris, France, and is publicly traded on the French Stock Exchange. It is primarily a proprietary manufacturer of land-based aircraft arresting systems for military and commercial aircraft. Key customers include the U.S. Air Force and Navy, foreign military flying western aircraft, commercial airports, and the FAA. Headquarters is based in Aston, Pennsylvania, in a 130,000 square foot plant that assembles arresting gear for military aircraft. A second plant is located in Logan Township, New Jersey, and has 273,000 square feet of manufacturing space. This plant manufactures a crushable concrete block that gets assembled into an arresting bed at the end of the runways at commercial airports. This application can safely decelerate and stop a commercial aircraft with minimal damage to the plane and its passengers. The work forces at both plants are non-union. The Aston, Pennsylvania, plant employs 160 people.

##### Situation:

The market for ESCO land-based aircraft arresting systems for military and commercial aircraft has, in recent years, achieved proven stability. In order to continue to grow, the company needs to employ innovative solutions to improve existing products, while researching new applications to which these concepts can be applied. This goal requires leveraging the company's unique expertise and effort to accomplish its growth potential. ESCO had begun working with a variety of clients, and potential clients, such as the United States Navy, State Departments of Transportation, the Federal Aviation Administration and Homeland Security to improve their products and develop new ones. The company did not have a clear vision of exactly how ESCO would grow and prosper. ESCO hired the Delaware Valley Industrial Resource Center (DVIRC), a NIST MEP network affiliate, to facilitate the development of a three-year strategic plan.

##### Solution:

ESCO hired the DVIRC to facilitate the development of a three-year strategic plan. The key component of the strategy that emerged is a powerful value proposition, a detailed understanding of how the company will grow by delivering innovative products to underserved markets. The long-term goal includes growing the business by \$10 million organically and \$74 million through acquisition over the next three years. The DVIRC also put an executable deployment process in place to create alignment of all activities with the strategic objectives. ESCO decided that in order to capitalize on the unique expertise of its associates, high-performance teaming had to be the means through which its value proposition and growth objectives would be satisfied. This represents a significant cultural change. The DVIRC designed and delivered a customized training process to help the company build "Award Winning Teams" that would attack waste and improve processes. Nine teams were trained and given improvement projects to create and maintain measurable impact by June of this year.

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### Results:

- \* Saved \$1 million in operational costs.
- \* Developed a Strategic Plan.
- \* Introduced Winning Teams Certification Program for company employees.
- \* Anticipate \$2,400 million in savings by June 2005.

### Testimonial:

"ESCO has partnered with the Delaware Valley Resource Center to implement a company-wide change in the way we do business. This started with the development of a Strategic Plan in April 2004 and continued with the introduction of a Winning Teams Certification Program in September 2004, which trained 52 key ESCO employees in team building skills, meeting facilitation, and lean concepts. Nine teams were formed from this training and identified \$2,400 million in potential savings by June of 2005. A second group of 60 employees will start similar training in September 2005. DVIRC has also conducted a five-day seminar in design of manufacturability this summer, which will reduce the cost of our low profile stanchion system by 25 percent. Very few organizations can provide the breath of training that DVIRC does. We are fortunate at ESCO to have them as our continuous improvement partner."

Spencer Hoos, President/CEO